

## EMPLOYER ADVISORY COMMITTEE

### MINUTES

June 27, 2002

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#### **DRS Members Present:**

Dave Nelsen, Chairperson.

#### **Additional DRS Staff Present:**

Scott Koura, Public Employee's Retirement System; Jeff Wickman, Strategic Initiatives; Michelle Hardesty, Employer Support Services; Brian Berghoff, Employer Support Services; Dick Ellis, Employer Support Services.

#### **Employer Members Present:**

Les Adams, and Cindy Lee, King County; Joanne Amrine, Chehalis School District; Rachel Brock, University of Washington; Bonnie Fell, City of Kent; John Goetz, Center for Information Services; Liz Hoffman, Department of Social and Health Services; Chandra Horan, Becky Lee and Nancy Pooler, Port of Seattle; Debbie Meach, Human Resources Information Systems Division (HRISD); Nancy Savage, Pierce County; Pamm Scott, Bellevue Community College; Sally Spangler, Washington State Patrol; Jean Yeager, Department of Agriculture.

#### **Employer Members Not Present:**

Mary Christle, Educational Service District; Tom Gaines, Washington School Information Processing Cooperative (WSIPC); Paulette Gilliam, University of Washington; Brigitte Hoopes, City of Kent; Michelle Mortimer, City of Olympia; Reagan Ulrich, Chelan County PUD 01.

#### **Agenda Items:**

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| • Legislative Summary<br><i>Dave Nelsen</i>                 | • Information About VEBA Plans and<br>Plan 3 Contribution Rates<br><i>Dave Nelsen</i> |
| • PERS 3 Update<br><i>Scott Koura</i>                       | • Open Discussion<br><i>Committee</i>   |
| • Discussion of Future ESS Activities<br><i>Dave Nelsen</i> | • Agenda Items for Next Meeting<br><i>Committee</i>                                   |

**LEGISLATIVE SUMMARY**

Dave Nelsen updated the committee on some topics being considered by the Joint Committee on Pension Policy (JCPP) for the upcoming legislative session.

**Pension Governance**

The JCPP discussed the 2002 Governance bill, which did not pass the Legislature, as well as the proposed amendment to the bill.

**Public Safety Benefits Study**

During the 2002 Interim, the Office of the State Actuary is studying providing additional public safety benefits to certain members of PERS Plan 2 and 3. At the last JCPP meeting, three issues were discussed:

- Is there an identifiable group of “public safety” members in PERS?
- How does LEOFF 2 membership analysis relate to public safety PERS benefits?
- What are the costs and how much should members and employers pay?

**Excess Compensation**

The Joint Committee will discuss excess compensation and a specific employer instance of large excess compensation bills during the August 14, 2002, meeting.

Other JCPP information:

**State Actuary**

Gerry Allard is retiring. At the last JCPP meeting, Senator Karen Fraser provided a Personnel Committee report on the search for a new State Actuary. The goal is to have a new State Actuary by September.

Please call Dave Nelsen at (360) 664-7163 or 1-800-547-6657 ext. 47163 or Steve Nelsen at (360) 664-7308 if you have any questions.

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) 3 UPDATE**

Following are highlights of the PERS Plan 3 update:

**Phase I activities:**

- The first PERS Plan 3 Quarterly Statement for Self-Directed and WSIB will be mailed.
- Employer Update will be mailed.
- Member Newsletter will be mailed.

**Phase II activities:**

- Transfer Education seminars are beginning.
- All Phase 2 employers will have been contacted by June 29<sup>th</sup>.
- The first PERS Plan 3 Quarterly Statement for Self-Directed and WSIB will be mailed.
- In July and August, employers will be receiving PERS Plan 3 Handbook, New Member Plan Choice material, and Investment Education material.
- Employer Update will be mailed.
- Member Newsletter will be mailed.

**DISCUSSION OF FUTURE EMPLOYER SUPPORT SERVICES ACTIVITIES****Employer Support Services Activities**

- E-Services application-develop access to data reported for an employee (similar to the earn screen on the internal systems at DRS). The implementation date is June 2003.
- DCP WBET-develop application to report DCP via the Internet.
- Develop prototype for member access to their personal information stored by DRS. This effort will be undertaken by the Retirement Services Division within DRS.
- Making the DRS Handbook more user friendly online. DRS is also looking at burning the handbook onto a CD and sending to the employers. The EAC Committee had no issues on the CD and thought it was a great idea. The Committee also suggested having a search component on the CD.

**Employer Information Processing (EIP) Unit Activities**

- Since WBET has been implemented, the manual entry of data is starting to go down.
- Contacting employers to close out missing earnings accounts.
- Reducing the number of begin dates has been going on for a year.
- Generating reports and following up on why there are rejects to help close the record. This is an ongoing process.
- Creating an electronic version of edit messages.
- It was suggested by the Committee to enhance the error message, give more detail.

**Employer Auditing Unit Activities**

- Focusing on quality audits.
- Implemented the Self-Audit Program. Looking at making the Self-Audit Program available on a CD or disk.
- In the future, when the Audit unit comes across frequent problems, the auditors will assist more employers by focusing the audits around those issues. These limited scope audits will increase the number of employers we can visit in a year.
- Focusing on Universities with retiree return to work employees.

**Employer Relations Unit (ERU) Activities**

- Tutorial online or CD.
- Statewide training will be starting up again after the PERS Plan 3 training is completed. Employers will be able to register for statewide training online.
- Notice contact is being updated, not just with the payroll contact but the Human Resources contact as well.
- Some of ERU reports are being moved to the EIP staff so employers are not contacted by multiple staff in the same day.

**INFORMATION ABOUT VEBA PLANS AND PLAN 3 CONTRIBUTION RATES**

A notice about VEBA plans and Plan 3 contribution rates was sent out recently. Earnings are to be evaluated for reporting purposes based upon the nature of the payment, not the fact that it was paid to a VEBA. The IRS has approved member rate flexibility for Plan 3 members of TRS. DRS will now petition the IRS for the same flexibility with SERS Plan 3 and PERS Plan 3, and will submit request legislation this session to change State law to accommodate this new federally approved flexibility.

**OPEN DISCUSSION**

The following were issues or concerns that were raised at the meeting:

- DRS does not need the PERS 3 paper form.
- Enrollment forms are going away except for LEOFF, WSP, elected officials, and city managers.
- DRS still needs the beneficiary forms.
- Question for the Committee: does there need to be a SSN posted on the annual statements? It was suggested by some of the Committee members that at least the last four digits of the SSN needs to be on the statement.
- It was also suggested by the Committee to mail the annual statements to the member and bill the employer.
- Looking at expanding to a 12-digit mail stop.

**The Next Meeting**

The next EAC meeting is scheduled for September 26, 2002, from 9:30 a.m. to 12 p.m., at the DRS Point Plaza West building located at 6835 Capitol Boulevard in Tumwater. Please see the map to DRS on the EAC Web site for directions to the facility.

**Proposed Agenda Items for the September 26, 2002, Meeting**

- Continue to discuss the Employer Support Services future activities.
- On the PERS 3 Update, the Committee would like PERS 3 numbers.

A confirmed agenda will be available on the Employer Advisory Committee Web site in early September 2002.

**Parking for the meetings**

There are visitor's parking spaces located in front of the building. You may also park in any stall that is not marked for another agency such as DSHS or OFM.

**Questions**

If you have any questions, please contact Dave Nelsen at (360) 664-7163, 1-800-547-6657 ext. 47163 or by e-mail at [daven@drs.wa.gov](mailto:daven@drs.wa.gov).